



Ford Motor Company

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February 16, 2004

Mr. Mark Friedrichs, PI-40
Office of Policy and International Affairs
U.S. Department of Energy
Room 1E190
1000 Independence Ave., S.W.
Washington D.C. 20585

Subject: Ford Comments on U.S. Department of Energy (DOE) Proposed General Guidelines for Voluntary Greenhouse Gas (GHG) Reporting, 68 FR 68204 (December 5, 2003)

Dear Mr. Friedrichs:

Ford Motor Company welcomes the opportunity to comment on the U.S. Department of Energy (DOE) Proposed General Guidelines for Voluntary Greenhouse Gas (GHG) Reporting. Our submission of constructive comments is supported by our historical involvement in GHG reporting, including the reporting of Ford's 1998-2002 GHG emissions to the DOE 1605(b) Registry.

Ford supports the Administration's goal to make the DOE 1605(b) Registry the single, national voluntary reporting system for GHG emissions and reductions data. In addition, the revised general guidelines for GHG reporting should be designed to maintain flexibility and attract broader participation.

Ford supports a two-tiered system and recommends incorporating the following revisions into the voluntary GHG reporting program:

Reporting of all six GHGs and sequestration activities should not be required (§300.6): Companies should have the flexibility to determine which GHGs are dominant for their particular industry and to report accordingly. Since CO₂ is the primary GHG emission in the automotive manufacturing industry, automotive companies should report CO₂ with optional reporting of the significantly smaller non-CO₂ GHGs.

In addition, reporting of sequestration activities in entity-wide inventories should be optional. The proposal, as written, requires inclusion of all emissions and sequestration associated with changes in terrestrial carbon stock. Such mandatory sequestration reporting is overly burdensome and would require any entity that owns land to estimate yearly changes to carbon stock associated with its property.

Entity statement requirements should be streamlined (§300.5): The information required as part of an "entity statement" should be streamlined to require enough information to understand an entity's basic scope of business operations and the operational boundaries of reported data. Ford does not object to providing a statement of corporate acquisitions and divestitures as proposed. However, entities should not be required to submit information concerning the closure or opening of significant facilities as proposed under 300.5(c)(1)(ii).

The reporting of changes in economic activity to or from specific operations outside the U.S. (300.5(c)(1)(iii)) and changes in output, contractual arrangements, outsourcing, etc. (300.5(c)(1)(iii)) promotes confidentiality concerns and is overly prescriptive and burdensome. Those requirements should be removed from the proposed Guidelines.

Real emissions reductions should not be excluded (§300.8): Ford opposes the exclusion of emission reductions caused by declines in output, closure of inefficient facilities or elimination of inefficient operations because the manner in which an entity achieves emission reductions is irrelevant as long as real reductions take place. This is fair, as increased emissions due to added production and new facilities will be reflected in total emissions and emission intensity rates.

Additionally, Ford believes the effort of quantifying specific sub-components (i.e., production declines, weather variables, utility energy mix, energy conservation efforts, etc.) which resulted in emission reductions throughout a corporation is not practical in many instances and should not be a requirement of the 1605(b) guidelines.

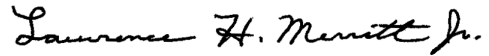
Reporting of vehicle fleet related emissions should be optional (§300.4): Ford supports reporting emissions from automotive manufacturing facilities. However, reporting of emissions associated with vehicle fleets wholly owned and operated by the reporting entity should be at the reporter's discretion. §300.4(b) should be revised to clearly allow optional reporting of vehicle fleets without regard to whether the de minimis threshold is applicable.

Emission reduction calculations should be flexible (§300.8): The proposed Guidelines related to the calculation of emission reductions are overly prescriptive as proposed and may diminish participation in the 1605(b) program. Reporting entities should have the flexibility to utilize their preferred emission estimation techniques. As previously mentioned, quantifying the specific actions resulting in emission reductions throughout an entity is not feasible.

Third-party verification should remain optional as proposed (§300.11): The current DOE 1605(b) self-certification requirement is adequate. Ford agrees that third-party certification and verification should not be required for reporting and/or registering reductions under the 1605(b) program, however, independent third-party certification or verification may be performed at an entity's discretion.

Thank you in advance for considering our comments on the Proposed General Guidelines for Voluntary GHG Reporting. Please contact me directly at (313) 322-5548 / lmerrit2@ford.com if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Lawrence H. Merritt, Jr." in a cursive script.

Lawrence H. Merritt, Jr.
Environmental Manager
Ford Environmental Quality Office